

**Report to the Secretary of Energy
on the
U.S. Department of Energy's
Small Business Programs
Fiscal Year 2005**



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Office of Small & Disadvantaged Business Utilization**

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**DEPARTMENT OF ENERGY
ANNUAL REPORT TO THE SECRETARY
SMALL BUSINESS PROGRAMS
FISCAL YEAR (FY) 2005**

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Department of Energy
Annual Report to the Secretary on Small Business Programs
Fiscal Year 2005

I. DOE MISSION

The Department of Energy (DOE) has an overarching mission to advance the national, economic and energy security of the United States; to promote scientific and technological innovation in support of that mission; and to ensure the environmental cleanup of the national nuclear weapons complex.

II. INTRODUCTION

The Annual Report to the Secretary on Small Business Programs is prepared annually to document activities and achievements during a fiscal year. The report also includes small business participation in the areas of innovative research and technology transfer.

III. LAWS AND REGULATIONS

All small business activities at DOE are conducted in response to Federal Statutes, Laws and Regulations, as well as departmental initiatives as described below.

- Code of Federal Regulations (CFR)
- Federal Acquisition Regulations (FAR) Part 19
- Executive Orders (EO)
- The Small Business Act, as amended (*15 U.S.C. 631 et seq.*)
- The Federal Acquisition Streamlining Act of 1994 (Public Law 103-355)
- Small Business Administration Reauthorization and Amendments Act of 1994 (Public Law 103-403)
- Energy Policy Act of 1992 (Public Law 102-486, Section 3021)
- Prompt Payment Act Amendments of 1988 (Public Law 100-496, Section 12)
- Business Opportunity Development Reform Act of 1988 (Section 501)
- The HUBZone Act of 1997 (*Public Law 105-135, Title VI*)
- The Veterans Entrepreneurship and Small Business Development Act of 1999 (*Public Law 106-50*)
- Veteran Benefit Act of 2003 (Public Law 108-183, Section 308)
- Federal Acquisition Reform Act (Public Law 104-106)
- Women's Business Ownership Act of 1988 (Public Law 100-533, Section 502)
- Executive Order 12138
- Executive Order 13157
- Executive Order 13170
- Executive Order 13360
- Energy Policy Act of 2005
- Emergency Supplemental Appropriations Act of Defense, the Global War on Terror and Tsunami Relief 2005, Public Law 109-13

- Acquisition Letter (AL) 2005-06
- Acquisition Letter (AL) 2005-08

IV. OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION (OSDBU)

The OSDBU was established in 1979 pursuant to Public Law 95-507. The specific duties of this office are identified in 15USC 644 (k). The OSDBU is responsible for administering the DOE small business program and for promoting small business participation as listed below:

- Negotiates the departments annual small business goals with the Small Business Administration (SBA);
- Monitors and tracks small business goals;
- Reports performance against achievements to the Secretary and to Congress;
- Assists and counsels small businesses regarding DOE's procurement processes, opportunities and challenges;
- Assists and counsels departmental prime contractors regarding subcontract goals and requirements; and
- Assists and counsels departmental offices regarding small business goals and requirements.

For more information about OSDBU programs and activities, visit <http://smallbusiness.doe.gov>.

V. DOE BUSINESS MODEL

The DOE business model consists of outsourcing a major portion of its work. This model has resulted in contracts to operate facilities and national laboratories known as Management and Operating contracts (M&Os), Management and Integration contracts (M&Is), and Environmental Restoration and Waste Management Contracts (ERMCs); also known as Facility Management Contracts (FMCs). These FMC contracts are generally awarded to large businesses, educational institutions and non-profit organizations and represent nearly 90 percent of the DOE procurement base. Approximately 10 percent, or the balance of the total procurement base, is used to fund non-FMC contracts. DOE has made a commitment to consider all new contracts not designated for M&O contracts for small business set aside unless a compelling reason can be shown to do otherwise.

VI. SMALL BUSINESS GOALS

Under statutory authority, (15 USC 644 (g) (1)) the President establishes annual government-wide goals for small businesses to participate in providing goods and services to the Federal Government.

To ensure that small businesses get their fair share of federal government contracts, Congress enacted government-wide statutory goals for Federal executive agencies. Section 15(g) of the Small Business Act authorizes each agency, however, to establish realistic goals for the award of contracts to small businesses. Listed below are both the government-wide statutory goals and the DOE negotiated goals.

Government-wide statutory goals

- 23 percent of prime contracts for small businesses;
- 5 percent of prime and subcontracts for small disadvantaged businesses;
- 5 percent of prime and subcontracts for women-owned small businesses;
- 3 percent of prime contracts for HUBZone small businesses;
- 3 percent of prime and subcontracts for service-disabled veteran-owned small businesses.

DOE negotiated goals

	<u>Prime goal</u>	<u>Subcontract goal</u>
• Small business	5.50%	50.0%
• Small disadvantaged business	3.20%	15.0%
• Women-owned business	3.30%	10.0%
• HUBZone business	1.50%	3.0%
• Service-disabled veteran business	1.50%	1.5%

VII. SMALL BUSINESS ACHIEVEMENTS

Prime Contracting

The small business prime contracting achievement in FY 2005 was \$955,305,000 or 4.45 of total obligations. Over the past four years, DOE has increased its small business prime contract achievements by \$416,971,000. **(EXHIBIT 1)** With regard to its prime contract small business socioeconomic goals, however, DOE has been unable to achieve its goals. **(EXHIBIT 2)**

Subcontracting

For the past two years (FY 2004-2005), due to the government-wide conversion to a new Electronic Subcontract Reporting System (eSRS), DOE has not received subcontract achievement data. For several years DOE has averaged approximately \$3.5 billion per year in subcontract awards to small business. For the purposes of this report, then, we are projecting achievements of \$3.5 billion in small business subcontract awards. *(See Chart A entitled "Total DOE FY 2005 Small Business Contributions" on page 14).*

VIII. SOCIOECONOMIC SMALL BUSINESS ACHIEVEMENTS

A listing of DOE achievements with regard to the various small business socioeconomic programs is provided below:

8(a) and Small and Disadvantaged Business (SDB)

In FY 2005, DOE awarded \$301,470,000 in prime awards to 8(a) and SDBs. This amount represents only 1.4% of total obligations and is less than the 3.2% goal. Although DOE cannot report its total small business subcontract awards for 2005 because that information has not been provided by the eSRS system, we can report that 29 contractors have reported awarding a total of \$282,775,556 through the DOE “8(a) Pilot Program”. Information on this program can be accessed at <http://smallbusiness.doe.gov>. The OSDBU has worked closely with this socioeconomic group including having 8(a) and SDB associations as members of the DOE Small Business Advisory Team.

Women-Owned

In FY 2005, DOE awarded \$127,699,000 prime awards to women-owned small businesses. This represents only .6% of total obligations and falls short of the DOE goal of 3.3%. We do not have any data available on subcontract awards. Section XIII on page 14-15 of this report reflects specifics on some of these prime contract awards. In outreaching to women businesses, the OSDBU featured a panel of women-owned businesses at the DOE Annual Small Business Conference held this year in Nashville, Tennessee. Additionally, the OSDBU has participated in over ten (10) women-owned small business related conferences, works closely with the SBA’s National Women’s Business Council and has women associations as members of the DOE Small Business Advisory Team.

Information on DOE’s Women Small Business Programs can be found at http://smallbusiness.doe.gov/Small_Business_Programs/Women-Owned_Business/women-owned_business.html.

HUBZone

In FY 2005, DOE awarded \$42,451,000 in prime contracts to HubZone businesses. This represents only .2% of total obligations at DOE and falls short of the DOE goal of 1.5%. In outreaching to HUBZone firms, the OSDBU participated in two (2) conferences targeting HUBZone small businesses and has HUBZone association representation on the DOE Small Business Advisory Team. For more information on the DOE HUBZone Empowerment Contracting Program, please visit http://smallbusiness.doe.gov/Small_Business_Programs/HUBZones/hubzones.html.

Service Disabled Veteran-Owned (SDVO)

In FY 2005, SDVO small businesses were awarded \$47,631,000 in prime contracts from

DOE. This represents .22% of total obligations and falls short of the DOE goal of 1.5%.

In compliance with the FY 2005 Strategic Plan to increase contracting and subcontracting opportunities for service disabled veteran-owned businesses DOE has taken several proactive steps including 1) issuance of a Policy statement by Secretary Samuel Bodman on June 7, 2005; 2) issuance of a Policy Flash, 2005-50, "Increasing Awards to Service-Disabled Veteran Owned Small Business"; 3) OSDBU participation in three conferences targeted to SDVO small businesses, and 4) inclusion of the Association of Service Disabled Veterans on the DOE Small Business Advisory Team. For more information about the SDVO Program, please visit

http://smallbusiness.doe.gov/Small_Business_Programs/Service_Disabled_Veterans-Ownne/service_disabled_veterans-ownne.html.

IX. FY 2005 OBJECTIVES

In FY 2005, DOE developed several objectives to increase small business opportunities. These objectives were included in the FY 2005 Strategic Plan provided to departmental elements and are reported below:

1) Established and tracked the Department's small business prime contracting goals.

Action:

Development of the departmental small business prime contracting goals begins with a goaling workshop for program offices. The FY 2005 goaling workshop was conducted on September 13, 2004. The workshop covers the process to be used by each office in developing and submitting its small business goals, and the SBA requirements for negotiating the Department's goal. The small business Department-wide goal proposed by the program offices for FY 2005 was 3.88%. The 3.88 percent goal fell short of the 5.5 % goal negotiated with the SBA.

Prime contract awards to small businesses are tracked through the i-Manage Data Warehouse (IDW) system. IDW reports are provided to the program offices on a quarterly basis. The year-end report reflects \$955,305,000 in obligations to small business or 4.45 % of total DOE procurement obligations. The 4.45 % achievement fell short of the 5.5 % goal negotiated with SBA.

2) Published and maintained a Department-wide procurement forecast.

Action:

The OSDBU is responsible for the preparation of the department's procurement forecast of potential prime and subcontracting opportunities. The forecast is prepared twice a year by the small business program managers and can be found at <https://hqinc.doe.gov/registration>. The FY 2005 forecast was updated in October

2004 and in March 2005. In FY 2006, the forecast will have the capability to be updated in real-time.

3) Reviewed all acquisition requests over \$3 million to ascertain/recommend small business participation.

Action:

There were eight (8) acquisition requests over \$3 million not set aside for small business submitted to the OSDBU for review. The OSDBU reviewed and approved these requests. Additionally, the OSDBU made recommendations for increasing the small business participation at the subcontract level by 1) ensuring that the subcontract goals on each request met the small business subcontract goals negotiated by DOE with SBA and 2) requiring the use of a Mentor-Protégé Plan on these projects.

4) Conducted outreach and technical assistance for the small business community to do business with DOE.

Action:

1. An outreach plan consisting of conferences or events to be attended was developed for FY 2005 and updated as information was received relevant to upcoming events. **(EXHIBIT 3)** In addition to the calendar, the plan also included submitting and placing advertisements and small business articles in publications such as the Hispanic Trends magazine, Hispanic Business magazine, Latina Style magazine, Success magazine, Black Enterprise magazine, Veterans magazine and others. **(EXHIBIT 4)**

2. The OSDBU staff participated in numerous small business conferences and technical assistance workshops, including the SBA Matchmaking Conferences across the country, and conducted the annual DOE Small Business Conference in Nashville, Tennessee on June 12-15, 2005. There were over 1400 attendees at the DOE annual conference which included workshops, exhibitors and a “matchmaking” session with over \$1.5 billion in sub-contracts available for small businesses. **(EXHIBIT 5)**

3. The OSDBU has a “Small Business Advisory Team” comprised of small business and trade organizations that provide guidance to the OSDBU and also serve as a vehicle to refer DOE procurement opportunities to their small business members. The team includes a wide range of representatives from the small business community. **(EXHIBIT 6)**

4. The OSDBU provided small businesses with one-on-one technical assistance and coordinated presentations to other DOE program and/or procurement offices.

5) Conducted internal small business awareness training for DOE contracting officers, procurement specialists, and small business program managers.

Action:

1. The OSDBU assisted the Office of Procurement and Assistance Management (OPAM) with updates for Acquisition Letters that address small business requirements on a variety of issues such as subcontract goaling and reporting. **(EXHIBIT 7)**

2. DOE held the first semi-annual training meeting for Small Business Program Managers at the Annual Small Business Conference on June 15, 2005 in Nashville, Tennessee. At that time the OSDBU provided a “desk manual” to all attendees containing copies of small business laws, rules and regulations, acquisition letters, Government Accountability Office (GAO) studies, Mentor Protégé Program procedures and small business goaling guidelines and forms. **(EXHIBIT 8)**

3. DOE held the second semi-annual training meeting for Small Business Program Managers on November 30, 2005 in Washington, DC. At this time the OSDBU discussed the following topics: 1) 2006 Strategic Plan; 2) GAO Report 05-459; 3) DOE/SBA MOU and Study; 4) Subcontracting Standard Operating Procedures; 5) Electronic Subcontracting (eSRS); 6) GSA Federal Supply Schedule Program; 7) Small Business Forecast; and 8) Service Disabled Veterans Program. **(EXHIBIT 8)**

6) Conducted Management and Operating (M&O) “breakout” studies as well as an implementation plan.

Action:

One (1) study was conducted for the Thomas Jefferson National Accelerator (TJNA) facility in September 2005. This study was provided to the Office of Science and is being utilized as part of their review in developing the current Request for Proposal (RFP).

The implementation plan for the TJNA study consisted of meetings between the OSDBU, the Office of Science, the Office of Congressional Affairs and members of the House Small Business Committee to determine what work, if any, could be pulled out of the existing facilities contract for small business prime contracting. As of the end of FY 2005, the final implementation plan was pending at the Office of Science.

7) Conducted reviews of M&O prime contractors for compliance with subcontract plans.

Action:

There were no reviews conducted in FY 2005 due to the lack of subcontract achievement data caused by the government-wide conversion to a new Electronic Subcontracting Report System (eSRS). Once that data is available the OSDBU intends to continue with its reviews.

8) Maintained a Mentor Protégé Program.

Action:

The OSDBU updated the DOE Mentor Protégé Program, is recruiting mentors for the program, and conducted a mentor protégé training session at the 6th Annual DOE Small Business Conference in Nashville, Tennessee on June 13, 2005. There are currently 52 mentor protégé teams in the Mentor Protégé Program which have generated \$258,940,403 in subcontracting opportunities for small business.

The OSDBU continues to work with the SBA to propose the establishment of mentor protégé teams under SBA 8(a) Mentor Protégé Program and is in the process of finalizing procedures with SBA to facilitate this action.

9) Developed a new small business policy for the Secretary of Energy to cover both prime and subcontracting for each category of the small business program.

Action:

A new small business policy has been developed to address both prime and subcontracting at DOE. Issuance is expected in FY 2006.

X. SMALL BUSINESS INITIATIVES

In addition to the objectives stated in the FY 2005 Strategic Plan, the OSDBU undertook several other initiatives designed to improve its efforts on behalf of small businesses and potentially increase small business participation at both the prime and subcontract levels. These initiatives include: 1) Contract Bundling; 2) MOU with SBA; 3) Small Business Matchmaking; 4) OSDBU Tracking System; and 5) Bank Deposit Financial Assistance Program.

1) Contract Bundling

In October 2002 the Office of Federal Procurement Policy (OFPP) at the direction of the President's Office of Management and Budget issued a report entitled: "Contract Bundling: A Strategy for Increasing Federal Contracting Opportunities for Small Business". Since that time, there have been FAR changes requiring that departments address the adequacy of

contract bundling documentation and the actions taken to mitigate the effect of necessary and justified contract bundling on small business and report annually on its contract bundling activities to the Secretary and to the SBA Administrator.

Action:

During 2005, the actions taken by the OSDBU include the following:

1. Mitigated a proposed contract bundling action considered by the Office of Environmental Management (EM) at the Waste Isolation Pilot Project (WIPP) in Carlsbad, NM. Based on our efforts, EM decided not to consolidate contracts (which would result in a bundled contract) but to retain the transportation project operated by a small business as a small business contract.
2. Mitigated a contract bundling action proposed by the Office of Security and Special Performance Assurance (SP). In this instance, the OSDBU concurred with SP and the OPAM that the combining of two contracts did not comprise a bundling activity. The SBA concurred with DOE.

2) MOU with SBA

The “Emergency Supplemental Appropriations Act of Defense, the Global War on Terror, and Tsunami Relief, 2005”, Public Law 109-13, Section 6022, required that the Department and SBA 1) enter into a MOU setting forth an appropriate methodology for measuring the achievement of DOE with respect to awarding contracts to small businesses, and 2) conduct a joint study to examine the feasibility of possible changes to management and operating contracts and other management contracts within the DOE to encourage new opportunities for small businesses to increase their role as prime contractors.

Action

The study is underway and the MOU was finalized on September 30, 2005. **(EXHIBIT 9).** The net result of the MOU is that DOE and SBA will continue to count prime and subcontracts as is currently being counted. DOE and SBA further agreed to meet periodically to consider, explore, and resolve issues regarding the MOU and its methodologies, as well as cooperate in establishing realistic and challenging goals, and advancing the objectives of the Small Business Act.

3) Business Matchmaking

Matchmaking is designed to connect small businesses to government and industry. These matchmaking events provide a unique opportunity for DOE to connect with small businesses through pre-scheduled one-on-one appointments.

Action:

The OSDBU participated in 13 non-DOE sponsored matchmaking events during 2005. In addition to these events, the OSDBU hosted a DOE matchmaking event at its Annual Small Business Conference in Nashville, TN. One hundred ninety (199) companies participated and were introduced to 103 DOE prime contractors and Tennessee government agencies. The follow-on survey indicates that 57 percent of these companies are now pursuing serious procurement leads.

4) OSDBU Tracking System

The OSDBU developed a tracking system (Lotus Notes) to automate the tracking of requests received by the OSDBU.

Action:

The OSDBU tracking system was activated in FY 2005 and is described below:

1. ***Incoming Requests***-Requests addressed to a specific individual are delivered to the respective person(s) for review. General correspondence is given to the administrator for proper distribution.
2. ***Open & Review Requests***-Each person is responsible for reviewing requests and opening a ticket to initiate the request tracking process.
3. ***Update Ticket***- When action is required for ticket, updated information is recorded for the respective ticket.
4. ***Close Ticket and Archive***-Once the pending action is completed, the ticket is closed by the ticket creator. The Lotus system archives closed items for 30 days. If ticket information is needed for reference after the 30 days, it can be requested from the Lotus administrator.
5. ***Confirmation and Notification***-A confirmation and notification is sent electronically via MS Outlook. The content of the email will include the ticket ID number, action required, due dates and comments. If the ticket includes an attachment, it is also included in the email notification.

5) Bank Deposit Financial Assistance Program

Since 1980, the Department of Energy has operated a Bank Deposit Financial Assistance Program funded by crude oil overcharge funds. Banks eligible for the program must be certified by the U.S. Treasury under its Minority Bank Deposit Program.

Action

DOE provided \$224.5 million to 98 minority-owned minority financial institutions in twenty-eight (28) States, Puerto Rico, and the District of Columbia.

XI. SMALL BUSINESS RESEARCH & TECHNOLOGY PROGRAMS

In addition to procurement awards to small businesses, there are financial assistance awards available to small business under programs at DOE dedicated to research and development, technology development and transfer technology. The inclusion of these awards in the annual report provides a more complete view of the Department's overall efforts on behalf of small business. A brief description of each program is provided below.

Small Business Innovation Research Program (SBIR)

The SBIR is managed by the Department's Office of Science, and provides support for small businesses with strong research capabilities in science or engineering areas critical to Departmental missions. In FY 2005, the SBIR program obligated \$100.8 million to small businesses to perform research and development dealing with innovative advanced concepts to address scientific or engineering problems.

Of the \$100.8 million obligated in FY 2005, \$25.9 million was awarded to support 261 SBIR Phase I projects in 35 states to address critical needs in the areas of Electric Transmission and Distribution, Defense Nuclear Nonproliferation, Biological and Environmental Research, High Energy and Nuclear Physics, Advanced Scientific and Computational Research, Energy Efficiency and Renewable Energy, Nuclear, Basic, Fossil, and Fusion Energy. The Phase I grants will explore the feasibility of proposed innovations. DOE also funded 108 Phase II grants, totaling approximately \$74.9 million. The funds for the Phase II awards are obligated over two fiscal years.

For a list of projects, please visit <http://www.science.doe.gov/sbir/newweb/awards.htm>.

Small Business Technology Transfer Program (STTR)

The STTR is a competitively awarded, three-phase Federal Government program, designed to stimulate technological innovation and provide opportunities for small businesses. The STTR is managed by the Office of Science, supports small businesses with strong research capabilities, and issues grants that involve substantial cooperative research collaboration between a small business and a non-profit research institution.

The total STTR agency obligations for FY 2005 were \$12,179,909. Of this total, \$7,581,417 was obligated to small businesses. The STTR projects were selected to cover a broad spectrum of energy-related research and development projects in the areas of electric transmission and distribution; biological and environmental research; fossil, fusion, and renewable energy; energy efficiency; high energy and nuclear physics; advance scientific and computing research; and basic energy sciences.

For a list of projects and additional information, visit: <http://www.science.doe.gov/sbir>.

Inventions and Innovation Program

The Inventions and Innovation (I&I) program offers financial and technical support to inventors and businesses for promising energy-saving concepts and technologies. I&I selects innovative technology businesses to receive grants through a competitive process.

In addition to competitively awarded financial assistance, I&I offers grantees technical guidance and mentoring through Energy TechNet, a comprehensive website for inventors, as well as access to information through technology events and referrals. Publications and a database of inventor resources are also available to the public. Small business received \$1,319,439 of the FY 2005 total obligations of \$3,894,192. For additional information on the I&I program, access the website at: <http://www.eere.energy.gov/inventions>.

XII. TOTAL IMPACT OF SMALL BUSINESS PROGRAMS & ACHIEVEMENTS

Total DOE FY 2005 Small Business Contributions

<i>Activity/ Programs</i>	<i>Value</i>
Small Business Prime Contracts	\$955,305,000
Small Business Subcontracts	\$3,500,000,000*
Small Business Innovation Research Program (SBIR)	\$100,786,824
Small Business Technology Transfer Program (STTR)	\$7,581,417
Inventions and Innovations Program (I&I)	\$1,319,430
<i>Subtotal</i>	<i>\$4,564,992,671</i>
Bank Deposit Financial Assistance Program	\$224,500,000
Total	\$4,789,492,671

**Estimated three (3) year average*

TABLE A

DOE is proud to report that the \$4.8 billion contributed to small business community represents 21.5% of its budget of \$22.3 billion for FY2005.

XIII. SUCCESS STORIES

Small Businesses are making great strides at DOE in the development of their business and technical lines; achievements that are not reflected by statistics. They are often innovators and pacesetters in new technologies. Whether as a prime or subcontractor, as a protégé in a mentor protégé relationship, or as a member of a team, these small businesses provide outstanding contributions to the DOE mission, often achieving savings and efficiencies for DOE. This section will highlight some of these premier small businesses with superior performance.

Navarro Research and Engineering, Inc.

Navarro is a great success story for the Department of Energy's (DOE) BWXT Y-12 Plant in Oak Ridge, Tennessee. This firm obtained its first major contract to support the Y-12 Plant and has successfully expanded into other the major DOE sites. Based on outstanding technical services, Navarro has become a main provider of safety services to DOE with a total of over 30 contracts and annual revenue of approximately \$47 million in 2005. Navarro has had 68 contracts with Y-12 totaling \$12,892,557 million. For the past three years, Navarro has been ranked among the 500 fastest growing companies in the *Inc 500*, and they were recently ranked as the 26th fastest growing Hispanic business in the US in *Hispanic Business* magazine. Navarro recently became a protégé of BWXT. In addition, they are mentoring other small businesses.

Navarro's quality performance has consistently met or exceeded the expectations of BWXT. Navarro manages the Y-12 Nuclear Packaging Program as well as the Y-12 part of the Los Alamos National Laboratory's (LANL) TA-18 Early Removal Project. Navarro was tasked with managing the development of two Type B packaging SARPs in support of the movement of radioactive materials from the TA-18 site to the Nevada Test Site for storage/future use. In managing this task, the company has provided highly qualified technical personnel and has grown its task scope due to excellent performance. Navarro has been critical to meeting the commitments made to Congress to vacate the TA 18 site by LANL, DOE and National Nuclear Security Administration's (NNSA).

This 8(a), woman-owned business has an excellent cost control system. It also has very low indirect rates, allowing it to attract highly qualified personnel. Navarro has controlled its costs through the duration of the contracts, allowing BWXT to meet its commitments in a cost-efficient manner.

LATA-Parallax Portsmouth, LLC

On January 10, 2005, the Department of Energy (DOE) announced that LATA-Parallax Portsmouth LLC, a small business joint venture between Los Alamos Technical Associates Inc. and Parallax Inc., was awarded a \$141,261,897 contract to perform environmental remediation and waste management activities at DOE's Portsmouth Gaseous Diffusion Plant in Piketon, Ohio. The contract will run through September 30, 2009. LATA-Parallax will be responsible for groundwater and soil remedial actions, removing legacy waste, decontamination and decommissioning (D&D) facilities, highly enriched uranium disposition, operating the site waste storage facilities, and surveillance and maintenance activities, as well as other activities.

LATA-Parallax is owned by Los Alamos Technical Associates Inc. (LATA), a New Mexico-based engineering, environmental and nuclear operation services company, and Parallax Inc., a Maryland-based engineering, environmental and nuclear operations services company. LATA is a service-disabled veteran owned small business and Parallax

is a minority women-owned small business. This is the first time this contract has been performed by a small business.

Integrated Solutions and Services, Inc.

The DOE's Oak Ridge Associated University (ORAU), in Oak Ridge, Tennessee, entered into a Mentor Protégé agreement with Integrated Solutions and Services, Inc., (ISS), a woman-owned, small business located in a HubZone in Knoxville, Tennessee. ISS and ORAU have a signed agreement initiating a support relationship as provided under the U.S. Department of Energy's (DOE) Mentor Protégé program. ISS has been doing work with ORAU for the past year and supports several ORAU programs. The technical capabilities at ISS have increased tremendously over the past year. The firm has developed capabilities in several very complex service areas, such as health physics, toxicological services and modeling, as well as in event planning/meeting management services. ISS is astute in recognizing the specific capabilities required and ensuring that resources are made available to meet those requirements, even when the requirements necessitate staff expansion by nominee subcontractor.

Recently, ISS was awarded a \$1 million, one year waste management blanket contract with an FMC at a DOE national security complex. Due to funding requirements, the project was fast tracked, and the first phase was completed in three weeks, a reduction from the estimated fifteen-week forecast. The scope of the project included establishing an assembly line where individual chemicals could be brought from all points inside the complex. The chemicals would be received sorted for compatibility, packaged and loaded for transportation and disposed. The assembly line concept was so efficient that the customer management and the end users expanded the project scope and funded an additional \$0.5 million on this project. In, total, over 3,000 containers were sorted packaged and shipped in the three week period substantially reducing the administrative management cost to the national security complex customer.

ISS has received subcontracts totaling \$2,114,373.

North Wind, Inc.

DOE's contractor, Bechtel BWXT Idaho, LLC (BBWI) and North Wind, Inc. entered into a subcontract under a DOE approved Mentor Protégé program for the characterization, transportation, treatment and disposal of Lower Limit of Detection Waste. This subcontract has an estimated value of \$4.7 million. BBWI as the mentor provides program guidance and assistance as necessary to allow North Wind, its protégé, to develop its capability to perform the statement of work.

North Wind, Inc. is an award-winning small, Hispanic-American, woman-owned, 8(a) company with a reputation for outstanding services and quality. North Wind has capabilities in environmental restoration, engineering, program management, geosciences, waste management, natural and cultural resources, remediation technologies, information

technology, and civil construction services. North Wind maintains over a dozen offices throughout the intermountain West and Alaska areas. In addition to its work for the Department of Energy, North Wind's customers include the Departments of Defense, Interior, and Agriculture, and many commercial clients.

Cavanaugh Services Group, Inc.

Cavanagh Services Group, Inc. is an 8(a), HUBZone, woman-owned small business that provides packaging, transportation, and disposal services to the environmental cleanup industry for both government and commercial projects. Cavanagh owns and maintains a fleet of specialized bulk containers and large 110-ton railcars in order to support its projects. Cavanagh is headquartered in Salt Lake City, Utah with a Southeast Regional Office in Oak Ridge, Tennessee. Cavanagh employs a total of eight (8) employees with 2005 revenues of \$11 million.

The majority of the company's 2005 revenue (80%) was received from government projects under subcontracts with prime contractors. The majority of the government revenue received is from the Department of Energy (DOE); specifically the following projects: 1) Rocky Flats Closure Project 2) Mound Closure Project; 3) Oak Ridge Closure Project; 4) Columbus Closure Project; and 5) the Idaho Closure Project.

In 2005, Cavanagh provided its services on a total of thirty-seven (37) projects. Twenty-seven (27) of those 37 projects were DOE projects. The company performed these projects in 13 different states. The DOE projects were performed in Idaho, Colorado, Illinois, New York, Ohio, Tennessee, and New Mexico.

Susan P. Rice, owner and president of Cavanagh Services Group, Inc. was selected by the US Small Business Administration as the "2005 Utah Small Business Person of the Year" in March 2005. Also, in October 2005, Cavanagh Services Group received the Utah 100 "Emerging Elite" award as one of the state's top 15 fastest growing companies.

TMC Services

TMC Services is a woman-owned emerging small business incorporated in New Mexico. As a nuclear engineering firm started in 1997, TMC has focused on the delivery of highly technical support, services and technologies to the Department of Energy. Ms. Linda Majors, President and CEO of TMC Services, received her nuclear engineering degree from the University of New Mexico and manages a company where approximately 75 percent of employees hold advanced degrees. TMC is rated at 92 (out of 100) by GSA Open Ratings for engineering service performance. Ninety percent of TMC employees hold "Q" or TS level DOE or DoD clearances.

TMC Services has achieved its corporate vision of applying the key principles of nuclear systems engineering to cutting edge technical opportunities within the technology rich environment of Los Alamos National Laboratory. These opportunities were provided

from contracts performed for the Department of Energy in the areas of non-proliferation, cost engineering and safety and reliability. TMC has performed work with the following contracts with LANL, and LANL subcontractor KSL, that supported NNSA projects related to national security.

- Projects requiring radiation detector testing, development and deployment
- Nuclear facility design and relocation
- Nuclear component configuration management
- Nuclear material processing and quality assurance
- Implementation of nuclear facility modifications

TMC played vital roles in the successful relocation of facilities and material from LANL to the Nevada Test Site and in the successful achievement of nuclear material delivery milestones, for which it received distinguished service recognition from LANL. Corporate revenues of DOE work in 2005 were approximately \$6 million. In accomplishing the on time delivery of technical support, project management services and science to DOE TMC has achieved global experience. They have received world-wide recognition for their cutting edge scientific and systems engineering approach.

*****END OF REPORT*****

XV. APPENDIX

- EXHIBIT 1.** FY 2001 – FY 2005 Small Business Achievement Chart
- EXHIBIT 2.** FY 2005 Socio-Economic Small Business Achievement Chart
- EXHIBIT 3.** FY 2005 Listing of Conferences
- EXHIBIT 4.** List of Advertisements and Press Releases
- EXHIBIT 5.** DOE Small Business Conference Agenda
- EXHIBIT 6.** DOE Small Business Advisory Team
- EXHIBIT 7.** Index for AL 2005-06 and AL 2005-08
- EXHIBIT 8.** Index of Small Business Desktop Reference Guide
- EXHIBIT 9.** Memorandum of Understanding (MOU) for Counting Small Business Achievements

FY 2005 Annual Report-Supplemental Documents

U.S. Department of Energy's 2005 Small Business Press Releases

- “U.S. Department of Energy Announces 6th Annual Small Business Conference & Expo in Nashville, Tennessee” – April 5, 2005
- “Deputy Secretary Announces Small Business Awards at 6th Annual Small Business Conference in Nashville, Tennessee” – June 13, 2005

List of U.S. Department of Energy's 2005 Small Business Publication Ad Placements:

- American Indian Report Magazine
- Black Enterprise Magazine
- Hispanic Business Magazine
- Hispanic Business Newsletters/Emails
- Indian Country National Newspaper
- Latina Style Magazine – 2005 Business Series Issues
- Minority Business Enterprise Magazine
- Minority Enterprise Advocate
- SBA Success Magazine
- Trends Magazine
- Veterans Business Journal
- Vista Hispanic Magazine

List of Department of Energy's Small Business 2005 Website Outreach:

- Hispanic Business Magazine Online Banner

2005 Small Business Outreach Activities:

The OSDBU promoted “Doing Business with the U.S. Department of Energy” at the following conferences and venues, along with providing small businesses promotional materials and displays:

- January 26, 2005 Powell Goldstein Environmental Briefing – Washington, DC
- February 1, 2005 U.S. Women's Chamber of Commerce Economic Summit – Washington, DC
- February 3, 2005 Latina Style Magazine Diversity Summit – Washington, DC
- February 7, 2005 RES 2005 Economic Summit and Small Business Fair – Las Vegas, NV
- March 7-8, 2005 California Hispanic Chamber of Commerce Conference – Sacramento, CA
- March 7-9, 2005 National Bankers Association Legislative Conference – Washington, DC

- March 14, 2005 DOE Pantex Site National Women's Month Celebration – Amarillo, Texas
- March 23-24, 2005 SBA Southern Region Matchmaking – Nashville, TN
- March 28, 2005 U.S. Congressman Albert Wynn 10th Annual Congressional District Procurement Exposition – College Park, MD
- April 1, 2005 Latina Style Business Series Conference – San Antonio, TX
- April 3-8, 2005 U.S. Senator Barbara Boxer Black Business Association 30th Procurement Trade Conference – Washington, DC
- April 22, 2005 U.S. Congresswoman Eleanor Holmes Norton Access to Capital Workshop and Business Fair – Washington, DC
- April 19-20, 2005 U.S. Hispanic Chamber of Commerce Annual Legislative Conference – Washington, DC
- April 21, 2005 2005 GSA 15th Annual OSDBU Procurement Conference – Upper Marlboro, MD
- April 25-28, 2005 SBA 2005 Business Expo – Washington, DC
- April 29-30, 2005 California Black Chamber of Commerce Moving the Urban Agenda Conference – San Francisco, CA
- May 3-5, 2005 2005 Latino Coalition Small Business Economic Conference – Washington, DC
- May 4-6, 2005 CelebAsian 2005 Business Conference – Washington, DC
- May 10-11, 2005 U.S. Senator Ted Stevens Procurement Technical Assistance Center Alliance North 2005 Small Business Conference – Anchorage, AK
- May 15-21, 2005 National Image Training Conference and Exposition – Albuquerque, NM
- May 18-19, 2005 National Procurement Council 2005 Small Business Federal Procurement Summit – Washington, DC
- May 20-21, 2005 Latina Style Magazine Business Symposium – Miami, FL
- June 12-15, 2005 DOE 6th Annual Small Business Conference Exposition and Matchmaking Forum – Nashville, TN
- June 17, 2005 Latina Style Magazine Business Symposium – Chicago, IL
- June 20-22, 2005 2005 National Veterans Small Business Conference and Exposition – Las Vegas, NV
- June 28-30, 2005 Women's Business Enterprise National Council 6th Annual National Conference and Business Expo – Las Vegas, NV
- June 30, 2005 East Valley Procurement Fair and Business Alliance Summit – Chandler, AZ
- July 12, 2005 Community Development Corporation Federal Procurement Opportunities Seminar – Washington, DC
- July 14-17, 2005 E-Women Network 5th Anniversary International Conference and Business Expo – Dallas, TX
- July 21-22, 2005 Minority Business Development Agency Regional Meeting Fresno, CA
- July 27-30, 2005 Texas Association of Mexican American Chamber of

Commerce (TAMACC) 13th Annual Convention and
Business Exposition – Houston, TX

- July 28, 2005 National Urban League Conference – Washington, DC
- August 9-10, 2005 The National HUBZone Small Business Conference – Orlando, FL
- August 11, 2005 EPA Matchmaking Event – Washington, DC
- August 17, 2005 National Small Business Federal Procurement Summit – Washington, DC
- August 17-19, 2005 California Black Chamber of Commerce State Convention and Business Exposition – Sacramento, CA
- August 25, 2005 Veteran's Business Journal Veteran Owned Business Exposition – Annapolis, MD
- August 25-26, 2005 2005 South Texas Business Opportunities Conference and Exposition – Harlingen, Texas
- August 26, 2005 U.S. Congressman Steny Hoyer Small Business Forum and Exposition – Bowie, MD
- September 1-2, 2005 GSA "Opening Doors" Small Business Procurement Conference – Phoenix, AZ
- September 8-9, 2005 Latina Style Magazine 2nd Annual Latina Symposium – Washington, DC
- September 12-14, 2005 Minority Enterprise Development 2005 MEDWEEK Small Business Conference – Washington, DC
- September 14-17, 2005 U.S. Hispanic Chamber of Commerce 26th Annual National Convention – Milwaukee, WI
- September 15, 2005 Tri-City Industrial Development Council Bridging Small Business Symposium – Kennewick, WA
- September 15, 2005 U.S. Congressman Joseph Biden's 6th Annual Procurement Conference at the University of Delaware – Newark, DE
- September 28-29, 2005 Women Impacting Public Policy 2005 Leadership and Legacy Summit – Washington, DC
- October 5-7, 2005 10th Annual Booker T. Washington Economic Development Summit – Tuskegee, AL
- October 11, 2005 SBA Federal Agency Women-Owned Small Business Representatives Roundtable – Washington, DC
- October 11-12, 2005 U.S. Indian American Chamber of Commerce 1st Annual Small Business Conference - Washington, DC
- October 13, 2005 GSA/VAHCC Hispanic Small Business Procurement Conference – Washington, DC
- October 25, 2005 14th Annual Baltimore/Washington Government Procurement Fair – Greenbelt, MD
- October 26, 2005 Business Women's Network Panel - Washington, DC
- November 10, 2005 Minority Business & Professionals Network 6th Annual Minority Enterprise Conference – Arlington, VA
- November 10, 2005 National Association of Professional Asian American

Women 17th National Training Conference and Small
Business Exposition – Bethesda, MD

- November 20-22, 2005 National Indian Business Association 13th Annual
Conference – Sacramento, CA

Small Business Advisory Team

DOE worked with the Small Business Advisory team in the promotion of the 2005 Annual Small Business Conference and other promotional activities throughout the year to support the Office of Small and Disadvantaged Business Utilization outreach goals including earned advertising in:

- GSA Website – www.gsa.gov
- National Association of Women Business Owners
- National Women's Business Council
- Savvy Business Magazine
- US Indian American Chamber of Commerce
- U.S. Women's Chamber of Commerce
- Women Impacting Public Policy